

Facts & Figures

Compensation

Third-Quarter Compensation Costs Averaged \$25.52 Per Hour

Total compensation costs paid by private nonfarm employers averaged \$25.52 per hour in the third quarter, as the share of compensation going to wages and salaries rose for the first time in recent years, according to figures released Dec. 13 by the Bureau of Labor Statistics.

The hourly cost of private industry wages and salaries rose to an average of \$18.04 in September from \$17.77 in the second quarter and from \$17.23 a year earlier.

By comparison, the cost for all benefits increased to \$7.48 per hour from \$7.39 per hour in June and \$7.11 per hour in September 2005.

The share of total compensation going to wages and salaries ticked upward to 70.7 percent in September from 70.6 percent three months earlier. It was the first time that the share of wages and salaries increased as a share of total compensation costs

since BLS began compiling comparable industry data on employer costs for employee compensation in 2004.

Conversely, the cost of benefits accounted for 29.3 percent of compensation in the third quarter, down from 29.4 percent in September 2005.

The data from BLS's national compensation survey of more than 11,000 establishments show the proportion of compensation going to benefits in general has been increasing over the past several years, while the share going to wages and salaries has been shrinking.

By specific benefit, private employers' costs for employee health care plans averaged \$1.76 per hour in September, up from \$1.74 per hour in June and from \$1.66 per hour in September 2005. The share of total compensation going to health coverage was 6.9 percent in the third quarter, up from 6.8 percent a year earlier.

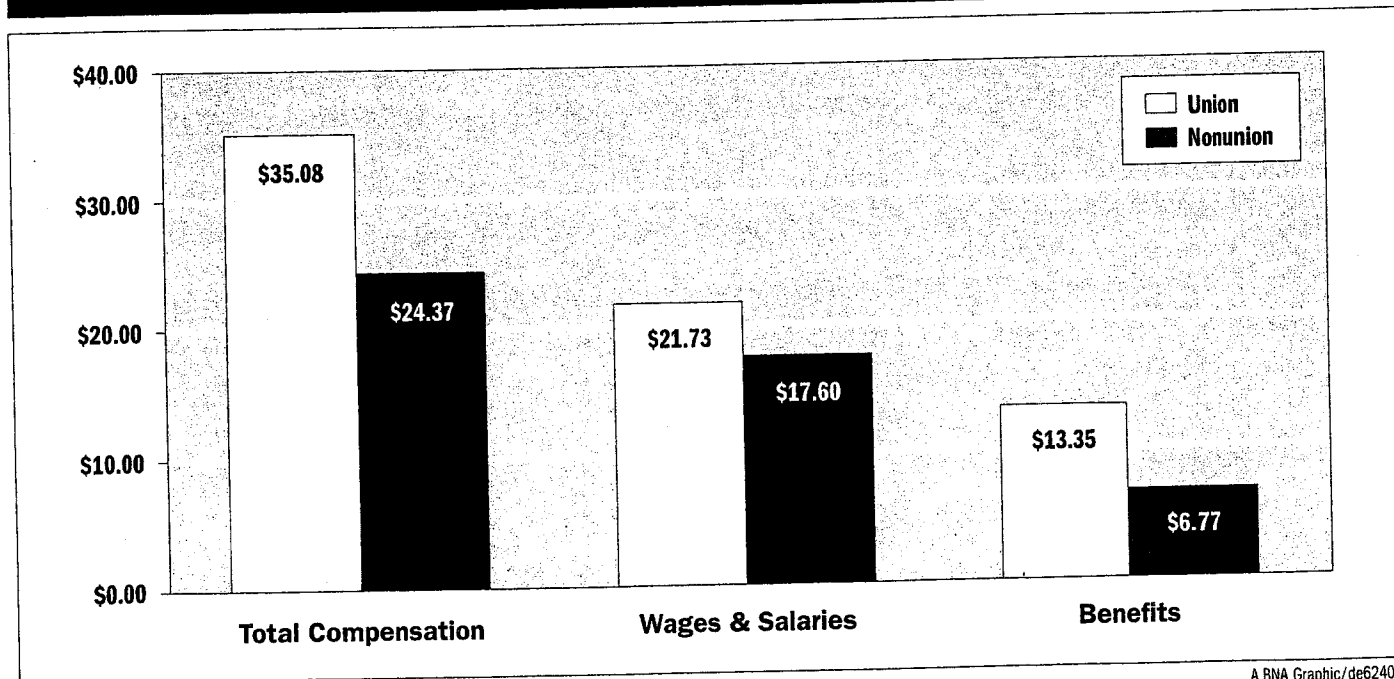
Costs for paid leave averaged \$1.73 per hour in September, or 6.8 percent of total compensation; costs for employer-sponsored retirement and savings plans averaged 93 cents per hour, or 3.6 percent of compensation; and costs for legally required benefits, including contributions for Social Security, Medicare, and workers' compensation, averaged \$2.18 per hour, or 8.6 percent of compensation.

Total compensation costs for union-represented employees averaged \$35.08 per hour in September, higher than the \$24.37 per hour average cost for nonunion workers. The share of compensation going to benefits also was higher for union workers (38 percent versus 27.8 percent).

The BLS report on compensation costs is available at www.bls.gov/news.release/pdf/eccec.pdf.

Employer Costs Per Hour Worked for Employee Compensation

Private Industry Workers by Bargaining Status, September 2006



Source: Bureau of Labor Statistics
NOTE: The sum of individual items may not equal totals due to rounding.

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